

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: May 30, 2007

Bill Number: S.B. 679

Author: Knotts and Setzler

Committee Requesting Impact: Senate Transportation

Bill Summary

A bill to amend Section [56-3-2345](#), Code of Laws of South Carolina, 1976, relating to the Department of Motor Vehicles' (DMV) issuance of Antique Dealer license plates, so as to reduce the number of sales of antique motor vehicles that must be made by a dealer before he may be issued an Antique Dealer license plate.

REVENUE IMPACT ^{1/}

This bill is expected to raise DMV earmarked funds by \$40 and DOT earmarked funds by a total of \$360 in FY 2007-08. The bill would also raise Motor Vehicle License revenues within the state General Fund by \$250 in FY 2007-08.

Explanation

Currently, those licensed motor vehicle dealers with sales of at least five 'antique motor vehicles' in the previous twelve months may be issued 'Antique Dealer' license plates (XA) for vehicle demonstration and select uses. This bill changes language to lower the number of sales to qualify as an antique vehicle dealer from five to two. An antique vehicle under this section is one over thirty years old, and the cost of each antique dealer plate is \$20. Of this amount, \$2 is earmarked to DMV's plate replacement fund and the balance goes to the State Highway Fund within the Department of Transportation (DOT). An annually renewable dealer license costs \$50 and goes to the state General Fund.

A survey sampling of classic/antique dealers reveals that this plate is underutilized, in part from use of standard 'XX' dealer demo plates where applicable. Reducing required sales to two vehicles annually is also expected to be an incentive for private collectors to register as antique vehicle dealers. We therefore expect five new dealer licenses (at \$50 each) to yield \$250, and a total of twenty 'XA' plates from new and existing dealers (at \$20 each) to yield \$400 in FY 2007-08.

Of the estimated yield of \$400 in plate sales, \$40 would be earmarked to DMV for plate replacement and the balance of \$360 would go to the State Highway Fund within DOT. Estimated proceeds of \$250 in dealer licenses would go to Motor Vehicle Licenses within state General Fund in FY 2007-08.

Analyst: Di Biase

/s/ William C. Gillespie

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Chief Economist

^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).